VZCZCXRO1638
PP RUEHDBU
DE RUEHKV #0853/01 1011546
ZNY CCCCC ZZH
P 111546Z APR 07
FM AMEMBASSY KYIV
TO RUEHC/SECSTATE WASHDC PRIORITY 1914
INFO RUCNCIS/CIS COLLECTIVE
RUEHZG/NATO EU COLLECTIVE
RUEHBI/AMCONSUL MUMBAI 0010

C O N F I D E N T I A L SECTION 01 OF 02 KYIV 000853

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E.O. 12958: DECL: 04/11/2017 TAGS: <u>PREL ECIN ETRD ENRG EUN UP</u>

SUBJECT: UKRAINE: YANUKOVYCH AND YUSHCHENKO AGREE EU

MEMBERSHIP REMAINS THE GOAL

REF: KYIV 646

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Classified By: DCM Sheila Gwaltney for reasons 1.4(b,d)

- 11. (C) Summary: During his March 27 visit to Brussels, PM Yanukovych said he wanted Ukraine to adopt a long-term strategy for EU membership and thanked his interlocutors for their help so far. Echoing President Yushchenko's earlier comments, Yanukovych urged the incorporation of a reference to Ukraine's eligibility for membership in the EU-Ukraine
 "New Enhanced Agreement." EU European Commission Delegation acting head Dirk Schuebel suggested to us April 5 the EU might be slowly warming to the idea of Ukraine's eventual EU entry, adding that the latest round of negotiations for the EU-Ukraine agreement went smoothly, with working groups established to facilitate detailed negotiations in specific areas. Although the working group on economy and trade would not start its work until the WTO Working Party had issued a positive report on Ukraine's WTO accession, discussion within the other three working groups was proceeding well. working group on foreign and security policy, the EU had pressed Ukraine to ratify the Rome Statute of the International Criminal Court and to adopt a position on Kosovo more consistent with the EU's. Negotiations on a visa facilitation agreement could be "tricky." Schuebel said he expected negotiations overall to last at least a year.
- 12. (C) Comment: In contrast to partisan disagreement over the timing and tactics to pursue Ukraine's Euro-Atlantic aspirations and eventual NATO membership and low public support, the last several months have seen repeated statements by both PM Yanukovych's camp and President Yushchenko's team emphasizing that Ukraine's EU aspirations are backed by consensus in Ukraine's ruling elite as well as by popular support. This marks a shift from the 2004 election cycle, in which Yanukovych's team consciously highlighted Ukraine's ties with Russia and the future of the Single Economic Space (SES) project rather than an EU-centric future. Pushing "Europe" as a values-based concept as embodied in the Copenhagen criteria -- rather than a narrow definition focused around the EU as an institution -- can thus be an effective rhetorical tool in encouraging Ukraine to continue to move in the right direction on political, economic, judicial, and social reforms, despite ongoing sharp partisan politics. End Summary.

Yanukovych Pushes EU Membership in Brussels

head Dirk Schuebel told us April 5 that PM Yanukovych "made no mistakes" during his March 27 one-day visit to Brussels; Schuebel was also encouraged that FM Yatsenyuk, a Yushchenko appointee, accompanied Yanukovych to most meetings. Yanukovych told his Brussels interlocutors that he favored a long-term strategy for Ukraine's EU membership and was grateful for the EU's help. Both Yanukovych and Yushchenko (speaking during a mid-March visit to Copenhagen) stated Ukraine would focus on meeting the EU's membership criteria over the next decade, while sidestepping for the time being any direct discussion of possible eventual Ukrainian membership. While in Brussels Yanukovych met with European Commission Chairman Jose Barroso, EU High Representative for Common Foreign and Security Policy Javier Solana, European Parliament President Hans-Gert Pottering, and EU Commissioner for External Relations Benita Ferrero-Waldner. He also signed an amendment to the agreement on textiles and an extension of the current Partnership and Cooperation Agreement that added Bulgaria and Romania.

- 14. (SBU) Schuebel remarked that Yushchenko and Yanukovych could barely be distinguished when they spoke about Ukraine's integration with the EU (reftel), a further sign of apparent genuine consensus on the issue. Yanukovych understood that Ukraine would not be able to join the EU for many more years, but he pushed for some mention of the prospect of eventual membership in the EU-Ukraine "New Enhanced Agreement." During the visit, Yanukovych for the first time voiced his support for an extension of the EU Border Assistance Mission (EU BAM) on the Ukraine-Moldova border. Yanukovych also said that he was still optimistic about the prospect of Ukraine joining the WTO by summer.
- 15. (C) Schuebel said newly appointed FM Yatsenyuk made a positive impression in Brussels, where he is well known from his time as Minister of Economy in the Yekhanurov cabinet (2005-06). While in Brussels, Yatsenyuk said Ukraine had one

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foreign policy, which Schuebel interpreted as part of Yatsenyuk's efforts to work with Yushchenko and Yanukovych and find common ground for Ukraine's external relations. Schuebel opined that Yatsenyuk's good intentions had been somewhat overtaken by recent events, since he was forced to take sides in the current crisis, supporting Yushchenko on parliamentary dissolution; Schuebel suspected Yatsenyuk may not remain in office long.

"New Enhanced Agreement" Negotiations Proceeding Smoothly

- 16. (C) Schuebel expressed satisfaction with the progress made during the last round of negotiations on the EU-Ukraine "New Enhanced Agreement" held April 2-3 in Kyiv. He said Ukraine was not insisting on wording that mentioned Ukraine's EU membership prospects, but that the Ukrainian side called for inclusion of a reference to Article 49 of the Treaty on the European Union that says that any European country that respects European values is entitled to apply for membership. While the EU logically should not object to a reference to its own basic document, Schuebel said EU negotiators objected even to this oblique reference, since there was a general feeling that the EU "went too far, too fast with Turkey."
- 17. (C) Schuebel said four working groups were established: foreign and security policy; justice and home affairs; sectoral cooperation; and economy and trade. Schuebel said the economy and trade working group would not start its negotiations until the WTO Working Party had issued a positive recommendation on Ukraine's WTO accession, since its main subject would be negotiations on a free trade area. (Comment: This is a small concession by the EU on timing, as previously the EU had insisted the talks could not start until Ukraine had completed its WTO accession. The difference between the approval of the Working Party report and final accession, however, is likely to be only a few

- months.) Schuebel said he expected negotiations would take at least a year. Ukrainian Deputy Foreign Minister Andriy Veselovskiy expected to remain chief negotiator for the EU-Ukraine talks, but could move on after agreements were reached on the main issues, allowing someone else to receive credit for concluding the agreement. The next round of negotiations would be held May 23-24 in Brussels, prior to moving back to Kyiv in early July.
- ¶8. (C) Schuebel said he took part in the foreign and security policy working group meetings and did not foresee particular difficulties; he noted that Ukraine was already in agreement with 92% of EU foreign policy positions. Schuebel mentioned the EU wanted Ukraine to ratify the Rome Statute of the International Criminal Court and adopt a position on Kosovo more in keeping with the EU's. Schuebel noted Ukraine's aversion to support independence for Kosovo was motivated by a reluctance to set a precedent that would adversely affect Crimea and the "frozen conflicts" in Georgia. He also said that Ukraine had not agreed to restrict travel or freeze assets of high ranking Belarusian officials as the EU would like.
- 19. (C) Reaching agreement in the working group on justice and home affairs could prove to be "more tricky," noted Schuebel. The Ukrainians had complained about the visa policy of several EU member states (note: which recently introduced high contractor fees for processing visa applications. end note). Ukrainian negotiator had also, Schuebel thought perhaps tongue-in-cheek, requested that Ukraine be allowed to enter the Schengen zone. Schuebel was optimistic that compromises were possible.
- 110. (C) Schuebel expressed the opinion that acceptance of the idea that Ukraine might someday join the EU was gradually growing. He noted that Ukraine's biggest promoters were in the EU Parliament, particularly the EU Ukraine Parliamentary Cooperation Committee, which contained many members from Eastern European states. Schuebel compared the current skepticism over Ukraine to the situation Poland faced in 1994; he saw a similar slow change in attitude toward Ukraine. Schuebel noted with some amusement that several Ukrainian politicians were unaware that Romania and Bulgaria had been on schedule to join the EU at the beginning of 2007; he admitted it was not entirely easy answering their question: "What do they have that we do not?"
- 111. (U) Visit Embassy Kyiv's classified website: www.state.sgov.gov/p/eur/kiev.
 Taylor